

DTE 01-54 Competitive Market Initiatives

Staff Request for Comments	? Department of Telecommunications
Related to Customer Information	. and Energy
Acquisition	? of Massachusetts

COMMENTS OF STRATEGIC ENERGY LLC.

Strategic Energy, a licensed electricity supplier in Massachusetts, appreciates the Commission's willingness to hear comments and suggestions on how to facilitate a more efficient transfer of customer information to competitive suppliers. Based on recent experience, we submit that this issue is the largest barrier to contracting with customers in Massachusetts.

From the written transcript of the technical session held by the Commission on July 24th, 2001, we have identified a brief list of important issues surrounding the type of customer information that should be released and the methodology used in its' release:

- ?? Should lists provided by the utilities to the suppliers include only Default customers or Default *and* Standard Offer customers?**
- ?? What vehicle should be used to provide this information?**
- ?? What types of information should be included?**
- ?? Which method should be used to provide customers the option to avoid being contacted by suppliers, "opt-in" or "opt-out"? Is either method effective or necessary for commercial and industrial customers?**
- ?? What, if any, method of customer education should be employed, and who will be responsible to supply it?**

Strategic would add to the list one important question related to a serious problem we have experienced but wasn't meaningfully touched upon at the technical conference:

?? Should the utilities be allowed to or even *required* to provide account number assistance to suppliers who have received from the customer a letter of authorization releasing their information?

1) *Should customer lists provided by the utilities to the suppliers include only Default customers or Default and Standard Offer customers?*

The fact that a customer is receiving Standard Offer or Default service should have no bearing on the decision to provide competitive suppliers with a customer list since the goal of restructuring is to have *all* customers choose an alternate supplier. When the DTE first started investigating barriers to retail markets, only Default customers could save money by switching suppliers. However, since then, wholesale prices have fallen enough that many Standard Offer customers could also benefit by switching. Given this new information, it seems unfair to Standard Offer customers that they should have fewer options because of our initial focus on Default Customers. It now makes sense to expand the customer information to include Default Customers and Standard Offer customers to facilitate fair access to retail suppliers regardless of customer category.

To receive the initial Default lists on July 01, suppliers were required to sign documents stating they would not use the default lists for any other reason than to market their energy supply products. There is little doubt that suppliers would be equally as willing to sign a similar document to receive an expanded list of customers

2) *What method should be used to provide this information?*

The most efficient method of dispersing an available customer list would be via the Internet, perhaps on the websites of the utilities. However, Strategic Energy is willing to support the idea of receiving this information through other electronic media. Once an Internet-based list is

available, user identifications and passwords should be sufficient to protect the information from being accessed by unauthorized parties.

3) What types of information should be included?

In addition to the customer's name, phone number and street address we suggest that the current type of service the customer is on (rate class and rider information), Default or Standard Offer status, and twelve individual months of historical demand and usage data.

Strategic Energy strongly advocates including the last twelve-month's of historical usage data per customer to the list. Texas is currently implementing this type of list service starting in September 01. If the data for large customers using interval meters is seen as confidential or as highly competitive information, the historical data fields for these customers could be left blank and a supplier could go through the alternative processes to retrieve it.

4) Which method should be used to provide customers the option to avoid being contacted by suppliers, "opt-in" or "opt-out"? Is either method effective or necessary for commercial and industrial customers?

Allowing the customer to "opt-out" is by far the best approach to giving a customer the right to be excluded from any mass list. Experiences have definitively shown that if the customer has to make an effort to opt-*in* to a program such as a mailing list, many who would actually want to be included will miss the opportunity because they don't recognize the value of being included or responding that they want to be included in the list is not sufficiently urgent to motivate them to respond before a deadline.

If an opt-out approach is implemented and a customer wishing to be left off a mass list neglects to inform the proper party, they can still be removed from future lists. It is conceivable that a system could be devised that would immediately inform users of the list that the customer wishes to be deleted and not contacted. (Ohio maintains a "Do Not Call" list.) Conversely, if the opt-in

approach is utilized, the customer probably won't realize for months, if ever) that they were never included on a list of which they wanted to be a part.

The question was raised on whether or not an opt-in or opt-out alternative was even necessary for commercial and industrial customers. We have experience with commercial customers that were very protective of their location information. In this case, it was a cable company that preferred that its competitors not know the location of its facilities scattered all over a geographic region. We respect their perspective, but we also recognize that the kind of information we request is sensitive only to a very small number of companies. A fair resolution would allow such companies to identify themselves and not make their information public without sacrificing the benefits to the rest of the customer of having a robust retail supply market.

5) What method, if any, of customer education should be employed and who will be responsible for administering it?

Customers need to be informed of any programs being run on their behalf and must clearly understand what they are required to do to be effective shoppers for electricity supply. Utilities should send instructional mailers to help customers along because:

1. The utilities have all of the current customer information
2. The utilities are sending information currently
3. The utilities soon will be supplying the mass lists to suppliers, and
4. The utilities arguably have an interest in customers switching to alternate suppliers

6) Should the utilities be allowed to or even required to provide account number assistance to suppliers who have received from the customer a letter of authorization releasing their information?

Strategic Energy has experienced a significant roadblock when attempting to retrieve from the utilities in Massachusetts historical load data for customers who have given authorization to do so. The issue surrounds a mandated format that requires a four-character prefix to the account

number when sending in an EDI historical data request. In theory, the four characters are supposed to be the first four letters of the company name (in the case of a commercial or industrial customer).

Though seemingly simple, much depends on how the person or persons at the utilities originally entered the prefixes. Spaces, dots and various other symbols are all legitimate characters and EDI programs used by the utilities are sensitive to all of these which leads to numerous opportunities for errors and failed requests. For example a fictional company, AB&C Inc, might be entered as AB&C or AB(space)C or ABCI, etc.. In another case, we have seen a company named H.W. Coleman Enterprises with a prefix of “COLE”. [Name changed for this illustration.]

It is understood that on each individual bill, the prefix is stated somewhere. The problem arises when one customer has multiple accounts – possibly over a thousand – yet one central office from which it will choose a supplier for all of its locations. It is quite burdensome and time consuming for the customer at a central office to collect from all of its satellite locations, from individual bills.

Strategic Energy requests that, in cases where the supplier has a letter of authorization signed by the customer stating that they are releasing their information to the supplier, the utility be allowed and required to release customer account number information to aid in the process of gathering historical data and the enrollment of that customer. Alternatively, we recommend that the prefix not be required when requesting historical information in any process by which alternative suppliers request and receive such information.

Respectfully Submitted,

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